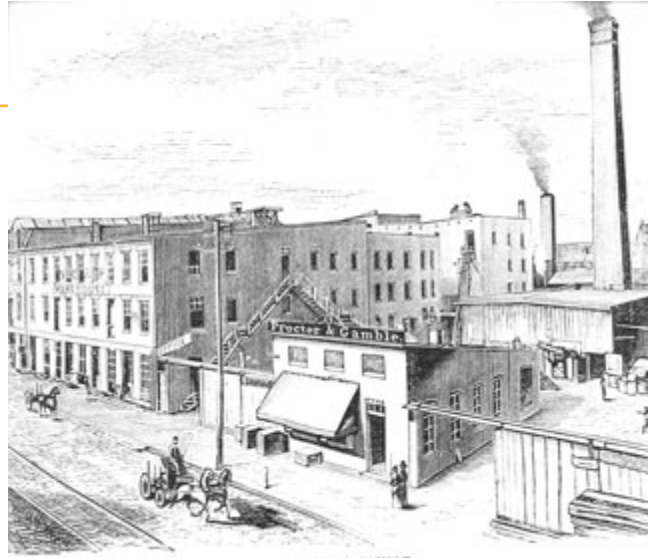


# A Soft and Fluffy Landing



A SUSTAINABLE ENTERPRISE: Box Elder County will be the site of Procter & Gamble Family Care's first domestic plant in 34 years. With the project, Utah gains the ultimate in stalwart corporations, whose first plant was established in 1859 in Cincinnati, and which first instituted profit sharing in 1887.

*Image courtesy of P&G*

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For its first domestic greenfield manufacturing investment in 34 years, **Procter & Gamble Family Care** in October chose a site in Box Elder County, Utah, for a 300-employee plant to make paper tissue and towel products for the western U.S. marketplace.

The project's first phase is expected to attract an investment of US\$315 million, with that figure edging toward \$540 million eventually. Employment likewise is projected to creep toward 500 by 2010, according to state documents. Helping land the project was \$85 million in incentives approved by the Governor's Office of Economic Development Board. The county is working on its own set of property-tax refunds. But first, the company has to close on the 750 acres (304 hectares) of land, located a few miles west of Brigham City. That should occur in the first months of 2008.

P&G spokesperson Celeste Kuta offers some insights into why the company selected Colliers International to lead its process.

"Thirty years is a long time in Procter, and there are not that many people around that have done this type of thing in the U.S.," says the 23-year P&G veteran. "For us, having an experienced organization like Colliers was just a tremendous asset, because we had lost a lot of that expertise in house from not having developed a greenfield site for so long."

A search of the Conway Data New Plant database going back 10 years reveals 84 P&G projects worldwide. P&G Family Care currently maintains other U.S. manufacturing sites in Albany, Ga.; Green Bay, Wis.; Cape Girardeau, Mo.; Mehoopany, Pa.; and Oxnard, Calif., where the division's most recent

greenfield investment took place in 1973.

Those existing locations were examined long and hard before making the leap to Utah with "Project Gold Rush," says Gregg Wassmansdorf, the Toronto-based vice president and manager of Colliers International's Location Advisory & Incentives Practice. Srinivas Reddy, associate director of engineering for P&G Family Care, helped lead the P&G team, which included its global corporate real estate group, a senior environmental engineer,



Gregg Wassmansdorf, vice president and manager of Colliers International's Location Advisory & Incentives Practice

legal, HR, tax and finance personnel, as well as the future plant manager.

"In addition to evaluating the best deployment of capital," says Wassmansdorf, "part of that best deployment decision by P&G was 'Can we build a best-in-class capability with a greenfield plant more so than with an existing plant?' "

## **Upper Stratus**

In arriving at its Utah answer, the team considered sites in "a pretty broad sweep of the western region," says Wassmansdorf, including sites in Washington, Oregon, Idaho and Nevada. Three finalists in three different states made presentations. "There wasn't a singular turning point," he says, "because we were looking at capital expenditure outlays, ongoing operational costs and risks all in parallel. How the three ranked just slowly became stratified over time."

"The heavy infrastructure requirement is really the starting and the ending for this," Wassmansdorf says. "There's no shortage of land, obviously, in the western U.S., but to find the intersection of rail, ample supply of water, wastewater treatment capacity, electrical supply and natural gas supply in volumes that are required and at rates that make sense, that was a really big challenge."

Helping meet that challenge will be Questar Gas, Pacificorp company Rocky Mountain Power and Union Pacific. Wassmansdorf says Box Elder County commissioners and Brigham City officials also deserve praise. The P&G plant's jobs will pay an annual average wage of \$42,000 – almost twice Box Elder County's current median wage of \$21,694.

Logistics and the products themselves drove the decision too. After all, customers like Charmin and Bounty because they're soft and fluffy. Hence the plants that churn out those products tend to locate near the end customer.

Gov. John Huntsman was progressively more involved in negotiations as they wound down in the final months of a 14-month process, leveraging the work done by his office of economic development as well as the complementary efforts of the Economic Development Corp. of Utah.

Wassmansdorf says both state organizations send a strong and clear message, aided somewhat by "a bit of an anti-California response.

"Four projects have either landed or short-listed Utah in the past two years," he says of his team's site selection advisory work. "As companies look at their supply chain, Salt Lake City is positioned very well.

"If you're going to handle the Western region and not be in California, Utah presents a pretty compelling option."